

Message Text

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PAGE 01 STATE 091062
ORIGIN ARA-14

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /142 R

DRAFTED BY ARA:R ARELLANO/KAR
APPROVED BY ARA:R ARELLANO
-----064381 082016Z /66

P R 081957Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY KINGSTON PRIORITY
INFO USINT HAVANA
AMEMBASSY MOSCOW

C O N F I D E N T I A L STATE 091062

E.O. 11652: GDS

TAGS: ENRG, JM

SUBJECT: REPORTED ESSO AGREEMENT WITH JAMAICA

1. STANDARD OIL (ESSO) WASHINGTON REPRESENTATIVE INFORMED ARELLANO THAT COMPANY HAS REACHED AGREEMENT WITH GOJ FOR A 20 MILLION, INTEREST BEARING, LINE OF CREDIT FOR CRUDE SUPPLY. THIS WAS NEGOTIATED IN RETURN FOR AN INCREASE WHICH RAISES RATE OF RETURN TO APPROXIMATELY 7 PERCENT ON INVESTMENT.

2. ESSO REP. WAS NOT SURE WHETHER REVISED INCOME ARRANGEMENT WOULD BE REFLECTED IN AN INCREASE "AT THE PUMP," OR WHETHER IT WOULD BE ABSORBED BY THE GOJ IN THE TAX WHICH THEY COLLECT AT THE REFINERY.

3. CREDIT LINE WILL NOT, APPARENTLY, REPRESENT A NET
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AVAILABILITY OF 20 MILLION FOR NEW PETROLEUM IMPORTS AS THE 14 MILLION PREVIOUSLY OWED WILL BE SUBSUMED INTO THE CREDIT. THE NEW CREDIT ARRANGEMENT DOES GIVE ESSO A FORMAL INTEREST BEARING CLAIM AGAINST THE GOJ, WHICH ALLOWS THEM TO BREATHE EASIER.

4. ESSO REP. INDICATED TO ME THAT THEY HAD "MENTIONED"

TO GOJ THAT VENEZUELA MIGHT BE "APPROACHED" TO ASSIST WITH CRUDE SUPPLY, WHICH COMPANY WOULD STAND READY TO RUN THROUGH THEIR FACILITIES. GOJ, IN TURN, ASKED IF COMPANY WOULD PROCESS SOVIET CRUDE. ANSWER WAS YES, PROVIDED IT WAS NOT SHIPPED THROUGH CUBA.

5. WE WOULD APPRECIATE KNOWING WHETHER EITHER THE VENEZUELANS OR THE SOVIETS MIGHT, INDEED, BE COMING TO THE ASSISTANCE OF GOJ. VANCE

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PAGE 01 STATE 091062
ORIGIN ARA-14

INFO OCT-01 ISO-00 /015 R

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DRAFTED BY: ARA/ECP: JHENNEKE

APPROVED BY: ARA/ECP: JHENNEKE

-----117661 131056Z /13

R 130507Z APR 78

FM SECSTATE WASHDC

INFO AMEMBASSY CARACAS 1230

C O N F I D E N T I A L STATE 091062

FOLLOWING REPEAT STATE 091062 ACTION KINGSTON INFO HAVANA AND MOSCOW DATED APRIL 8, 1978.

QUOTE: C O N F I D E N T I A L STATE 091062

E.O. 11652: GDS

TAGS: ENRG, JM

SUBJECT: REPORTED ESSO AGREEMENT WITH JAMAICA

1. STANDARD OIL (ESSO) WASHINGTON REPRESENTATIVE INFORMED ARELLANO THAT COMPANY HAS REACHED AGREEMENT WITH GOJ FOR A 20 MILLION, INTEREST BEARING, LINE OF CREDIT FOR CRUDE SUPPLY. THIS WAS NEGOTIATED IN RETURN FOR AN INCREASE WHICH RAISES RATE OF RETURN TO APPROXIMATELY 7 PERCENT ON INVESTMENT.

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VANCE UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, PETROLEUM, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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Review Release Date: n/a
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Review Transfer Date:
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Secure: OPEN
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TAGS: ENRG, EINV, JM, ESSO
To: KINGSTON
Type: TE
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